

Draft
CENTRAL VALLEY PROJECT
M&I WATER SHORTAGE PROVISIONS

November 20, 2000

There may occur at times a shortage during any year in the quantity of Central Valley Project (CVP) water made available to the M&I contractors by the United States. The cause of the water shortage may be drought, unavoidable causes¹, or restricted operations resulting from legal obligations, including but not limited to the Endangered Species Act, the Central Valley Project Improvement Act, and the State of California's Water Quality Control Plan.

Release requirements or diversion restrictions for environmental purposes are imposed on project operations through water right permit terms and conditions (such as those in D-1641 and the Water Quality Control Plan), Endangered Species Act biological opinions, legislative mandates are exemplified by Public Law (P.L.) 102-575, which specified increased levels of supply and maximum deficiencies for wildlife refuges and management areas, and agreements that were generally made as part of the water rights process.

M&I contractors are still in a build up period for their water entitlement. M&I deliveries in 1994 were 336,000 acre-feet and are projected to be approximately 683,000 acre-feet by the year 2022. In general, M&I contractors are taking about or slightly more than fifty percent of their contractual entitlement. Applying a shortage to their contract entitlement would enable some of the M&I contractors to take a full water supply in times of severe water shortage. Therefore, the guarantee of 75 percent for M&I reliability shall be applied to historic use as defined herein, up to the M&I contractor's contractual entitlement. Historic use will be adjusted for growth and extraordinary water conservation measures as provided below in the "Definition of Terms."

M&I water allocations may differ between division of the CVP north and south of the Delta. Generally, allocations to divisions north and south of the Delta will be the same unless specific operational constraints occur which do not allow a division the same minimum allocation as other CVP divisions north of the Delta.

In most service areas, the demand for irrigation water exceeds the available CVP water supply. Therefore, irrigation water allocations shall be based on contractual entitlement.

¹Unavoidable causes are causes beyond the control of Reclamation such as pumps failing at Tracy pumping plant or an Court ordered injunction.

Terms and Conditions for M&I Reliability and CVP Water supply allocation:

1. Shortage allocation to M&I water shall be based on the contractor's historical use of M&I water adjusted for growth and extraordinary conservation measures up to the contractor's contractual entitlement. The terms historic use, adjusted for growth, extraordinary water conservation measures, and public health and safety are defined below. Shortage allocation to irrigation water shall be based on the contractor's contractual entitlement.
2. For an M&I contractor to be eligible for the M&I reliability of 75 percent of historic use, the M&I contractor must have developed and be fully implementing its water management plan. The M&I contractor will not be eligible for the M&I reliability if it is not implementing its water management plan.
3. The M&I Water Shortage Policy applies only to that portion of the CVP water used historically for M&I purposes and identified as projected M&I demand as of September 30, 1994. Irrigation water transferred and/or converted to M&I use after September 30, 1994 will retain its original irrigation water shortage allocation.
4. Before the allocation to M&I water supply is reduced, the allocation to irrigation water shall be reduced down to 75% of contract entitlement. As shown below in Table 1.

Table 1
Allocation of Irrigation and M&I Water

Irrigation Water	M&I Water
100%	100%
95%	9
90%	9
85%	9
80%	9
75%	100%

5. When irrigation water has been reduced down to 75 percent of contractual entitlement, and further reductions are necessary, the M&I water allocation and the irrigation water allocation will be reduced the same percentage amount. M&I water will begin at 100 percent of M&I demand up to contractual entitlement² and irrigation water will begin at 75 percent of total contractual entitlement. M&I water will ratchet down an equal

² M&I Contractors in general are still in a build-up period for their contractual entitlement.

percentage amount with irrigation water until M&I water reaches 75 percent of historical use and irrigation water reaches 50 percent of its contractual entitlement. At this point, the M&I reliability will apply and M&I water will not be further reduced until irrigation water reaches 25 percent of total contractual entitlement. This is illustrated in Table 2 below.

Table 2
Shortage Allocation of Irrigation and M&I Water

Irrigation Water	M&I Water
75%	100%
70%	95%
65%	90%
60%	85%
55%	80%
50%	75%

6. When irrigation water reaches 25 percent of its total contractual entitlement, Reclamation will need to reassess the CVP water supply availability and CVP water demand. Due to limited water supplies, M&I water allocation may be reduced below the 75 percent of historic use which is the M&I reliability level.. Beyond this level, Project allocations will be dependent on where water is available. Reclamation may need to take into consideration the contractor's other non-CVP water supplies.
7. Reclamation will be consistent with the criteria used by the State of California for public health and safety levels during times of severe drought. The term public, health and safety shall mean interior residential use, sanitation, and water for fire protection.

Reclamation will ensure the priority of public health and safety levels as calculated by the contractor in their water management plans pursuant to CVPIA Section 3405(e) . Reclamation will require M&I contractors submit a shortage allocation policy and include its public health and safety level. This should be updated every 5 years in the contractor's water conservation management plan.

CVP water allocations to Refuges would be further reduced to allow M&I public health and safety allocations to continue. Water allocated for fish and wildlife activities pursuant to Section 3406(b)(2) of PL 102-575 will also fall below 600,000 acre-feet in order to meet M&I public health and safety water allocations.

Definitions of Terms used above include:

1. The term “Historic use” shall mean the water deliveries during the last year in which a 100 percent allocation was offered for M&I use. Historic use may be adjusted for growth and extraordinary water conservation practices defined below. Additionally, to encourage contractors to develop alternative water supplies, Reclamation will agree to adjust M&I contractor’s historic use quantity if, after adoption of this policy, an M&I contractor can demonstrate it used supplemental water supplies first before using CVP water supplies and such use benefitted the CVP. However, when the allocation for M&I use goes below 75% historic use, Reclamation may need to consider those alternative water supplies during the allocation process.
2. The term “Adjusted for Growth” shall mean a process whereby Reclamation reviews historical use and the contractors provide documentation to support any increases in their historical use. Documentation supporting an adjustment for growth would include increases in the population or industry served by the contractor. It would be capped at the level of full contractual entitlements. This will be compared to the contractors needs analysis and water management plans.
3. The term “extraordinary water conservation measures” shall mean activities in addition to those best management practices specified in the plan will be considered extraordinary water conservation measures. This begins with the baseline condition that the contractor is implementing its water management plan consistent with the then current standard criteria for evaluating water management plans. There is no specific metric, since implementation of best management practices is specific to each contractor. The proposed extraordinary water conservation measure will be reviewed and evaluated by Reclamation determine if an action qualifies as an extraordinary water conservation measure. The criteria for water management plans is dynamic continually changing and is updated every 3 years with current state of the art for water conservation and management measures. A water conservation measure considered extraordinary in 2001 may be a mandatory best management practice requirement in the year 2010.
4. The term “public health and safety” shall be consistent with the criteria used by the State of California during times of severe droughts or shortages. That term shall mean interior residential use, sanitation, and water for fire protection. Currently the estimate for that level of use is 50 gallons per capita per day. However, in the future this could change considerably with new technology.